

1 COMMISSIONER WILHELM: Mr. Notah.

2 MR. NOTAH: Ms. Chairman. Yut-ta-haye (ph). My name
3 is Ferdinand Notah I'm the Division Director for the Division of
4 Economic Development, Navajo Nation.

5 Mr. Wilhelm, our President Milton Bluehouse was not
6 able to be here today, but he sends his regards. Just to let you
7 know that we reviewed the testimony last night and added in a few
8 of his comments also. So and we have submitted for the record
9 copies of our testimony.

10 First of all Ms. Chairman, members of the Commission
11 welcome to Arizona. thank you for taking time out of your
12 schedule to come here to Arizona and hear testimony on the
13 positive and negative aspects of gaming, Indian gaming as we look
14 at it. We appreciate your efforts to hear out the Indian Nations
15 here in Arizona as well as in New Mexico on Saturday. We hope
16 you are able to get a taste of our Indian hospitality, maybe
17 Navajo hospitality somewhere along the way. And also enjoy some
18 of our scenic wonders out here in the Southwest. Regardless,
19 welcome to Indian Country.

20 The Navajo Nation has -- is not currently an active
21 participant in Indian Gaming, but we have an active interest.
22 Our Nation is located in the Four Corners area of the United
23 States, encompassing over 17 million acres. Our Nation lies in
24 the areas of Arizona, New Mexico and Utah. We have a population
25 of over 200,000 members, about 150,000 living on our Nation. We
26 have an unemployment rate of about 45 percent and up to 52
27 percent whether you listen to the tribe or the federal
28 government.

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1 But historically, our economy was agricultural based.
2 More recently we turned into a wage economy, wage-based economy.
3 We have a small but growing private sector. Mining has been a
4 big industry in our nation, has brought in jobs and royalties to
5 the Nation, but as our non-renewable resources are being depleted
6 our revenues are also on the decline. As a result the Navajo
7 Nation is having to look at new alternative sources of revenue
8 and gaming is one of those.

9 We have an economic initiatives program to create and
10 bring in jobs as well as new revenues. The scenic wonders of our
11 Nation bring in millions of tourists who now drop their tourist
12 or travel dollars in our nearby border town communities that out
13 lie our Nation. We are developing our economy to try to have
14 these tourists drop their tourist dollars on our Nation as
15 opposed to the border towns.

16 We do have a serious economic drain of money. In a
17 year there's about 100 million payroll dollars generated on our
18 Nation and almost immediately within three or four days of those
19 pay checks 85 percent of these funds are lost into the border
20 town communities never to return. So our mission is to stop that
21 drain of economic dollars and maybe inject new outside dollars
22 into our economy.

23 We've tried to enter the gaming scene over the past
24 several years, but historically traditional gambling has been
25 part of our culture. We have shoe games, there's been a lot of
26 betting at horse racing which was a very common sport before IGRA
27 and also in our culture the folklore of our traditions talk about

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1 gaming or gambling by various animals who played cards and other
2 games of the gambling nature.

3 Once the government got involved in the sort of the
4 big brother type of approach gambling became outlawed and was
5 made part of our Navajo Nation code. But despite these
6 prohibitions our people continue their card games and other forms
7 of gambling when they gather for religious ceremonies and other
8 social events. So it's a very difficult thing to enforce.

9 In 1994, we had a referendum that went out to ask the
10 people if we wanted to get into gaming. That 55 percent of the
11 voters voted against gaming and the vote spread and between the
12 votes was about 5,000 votes out of about 51,000 votes cast during
13 an election.

14 In 1997, we went and had another referendum, a
15 special election. And that again was put the question of whether
16 to enter gaming or regulated gaming. The vote 33,000 people votes
17 and the referendum failed by a spread of about 2,500 votes. So
18 from these numbers you can see that there is still a very strong
19 interest in gaming. Therefore, we see gaming as a still a viable
20 economic opportunity.

21 During this last referendum we conducted a education
22 campaign about the pros and cons of gaming. And we made
23 presentations to almost 110 of our communities that are around on
24 our Nation. We went to fairs, we went through the media, we had
25 debate forums. And we were accused, as government officials, of
26 misleading the public in favor of gaming. We even faced a
27 lawsuit right before the election in an attempt to stop the
28 election.

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1 However, this debate was healthy, it showed our
2 government in action. Some of the things that we used in favor
3 of gaming were that we would get new revenues to the Nation in
4 the tune of about 20 to 66 million dollars annually looking at 5
5 or 6 gaming sites. The revenues would be replacing declining
6 revenues from non-renewable resources. We envisioned bringing in
7 3,000 new jobs, 1,500 construction jobs, new business
8 opportunities for our growing Navajo private sector.

9 We also saw this as a way to inject new tourist
10 dollars into our national economy. And our casino sites were
11 targeted primarily to six key areas that where we have major
12 tourist attractions such as near to Grand Canyon, near Lake
13 Powell, near the Four Corners and along the I-40 corridor.

14 We saw the gaming as bringing in revenues for
15 infrastructure, capital projects, community facilities,
16 scholarships and other programs and services for our population.
17 Currently these programs rely on federal funding as well as
18 tribal funding and our tribal funding resources are becoming
19 limiting at this point.

20 We also saw this as an opportunity to create new
21 funds for social programs including setting aside funds to treat
22 gambling addiction that might result and so forth. But gambling
23 in the Southwest is thriving. Navajo patrons patronize the
24 casinos, other Indian casinos, throughout the Southwest. At
25 certain times of the day in some casinos all you can hear is
26 Navajo language being spoken. So that tells you how popular
27 gaming is in our -- in the Southwest.

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1 On the negative aspects a lot of people voted against
2 gaming and I can tell you some reasons why. There was a lot of
3 fear that some of the gaming revenues would not reach local
4 communities, but rather be -- remain at central level. There was
5 mistrust that politicians would misuse or misappropriate
6 revenues. Gambling addiction would become rampant. Family
7 income would be spent on gaming. Social problems would increase.
8 Although we have growing social problems on our Nation;
9 alcoholism, gang violence, family abuse, those problems already
10 existed. We estimated the increase in social problems as a
11 result of gaming would be very minimal.

12 But since the referendum our Council has approved a
13 local governance act which basically is going to attempt to
14 transfer central government authority down to our local
15 communities. And through this initiative we see some of these
16 communities that lie the near the major tourist attractions as
17 coming forth as a local initiative to pursue gaming.

18 We do have one community now near Albuquerque that is
19 coming forth with a program to enter into the gaming picture. So
20 this issue will be acted upon by the Council very shortly in
21 about a month or two.

22 So with that Ms. Chairman, Members of the Commission
23 we do see the social impacts, but we also see that gaming helps
24 to provide funds to treat the problems as well as treat the other
25 social ills of -- that are predominate on our -- in our culture.

26 So with that Ms. Chairman I -- I'm being told to
27 stop, thank you.

28 COMMISSIONER WILHELM: Thank you very much Mr. Notah.

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